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Argentina

Honey

Update

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Report Highlights:

Honey production is expected to fall again in 2001 due to unfavorable weather.

Production is estimated at 85,000 tons, down significantly from the record 98,000 tons produced in 1999. Exports to the US are down substantially in 2001 due to the ongoing countervailing and antidumping investigation.

Includes PSD changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Buenos Aires [AR1], AR

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Executive Summary

Honey production is expected to fall in 2001 due to unfavorable weather. Production is estimated at 85,000 tons, down from the 90,000 tons produced in 2000 and the record 98,000 tons produced in 1999. Exports to the US are down substantially in 2001 due to the ongoing countervailing and antidumping investigation.

Production

Production is expected to fall this year (2001) to 85,000 tons, down from 90,000 tons in 2000 and 98,000 tons in 1999. The 1999 and 2000 figures are from official Argentine government sources (they report unfavorable weather in 2000 as the problem) and appear to be consistent with export statistics showing a drop in exports between 1999 and 2000.

The drop in production for 2001 is Post's estimate, which is based on local contacts and the relatively low level of exports through August this year of 56,939 tons (13 percent less than the same period last year). Honey is exported throughout the year, but the heaviest exports normally take place from March through May as the harvest becomes available. Local contacts report that unfavorable weather was behind the drop in production this year and last year.

The Argentine Department of Agriculture estimates that there are currently about 2.8 million bee hives in the country, up from 2.5 million in 1998. No figures are available for 1999 and 2000, but based on production estimates and lower prices in 2001 we estimate that the total number of hives was 2.7 million in 1999 (which had record production) and 2.8 million in 2000. The same sources estimate that agricultural areas in Argentina has the potential to support 4.5 million hives. The number of hives estimated by the Argentine Ag Department is probably a rough estimate, since this would be a very hard number to estimate with exactitude.

The average honey yield is between 30 and 35 kilos per colony each year, although in some areas yields are as

high as 60-70 kilos per colony annually. The province of Buenos Aires accounts for more than 50 percent of total Argentine honey production, and is where higher yields are recorded.

Stocks

No estimates are available for honey stocks, and stocks are generally calculated as a residual. According to a contact at the Argentine Ag Department, stocks held over from one year to the next are generally minimal (almost zero), since there is very little local consumption and most production is exported. This is similar to the grain sector, where Argentina traditionally has held very low stocks over from one year to the next (carryover stocks of sorghum and soybeans were less than 2 percent of total production this year).

Consumption

No exact figures are available on domestic consumption, but Argentine Government sources estimate annual consumption of around 200 grams per capita.

Exports

Exports to the US are down substantially in 2001 as a result of the antidumping and countervailing duty investigations. Total exports are also down compared to the same period the previous year.

The export numbers are based on official export statistics maintained by the Argentine Secretariat of Agriculture. Export numbers in Argentina tend to be more accurate than estimates of production, consumption and stocks, because exporters receive tax rebates (export reimbursements and VAT rebates) for all exports. This gives exporters a strong incentive to fully report (if not over report) all exports.

Policy

Argentine exports of honey to the US are currently subject to an anti-dumping and countervailing duty investigation. The investigation was conducted by the Commerce Department, with the results published on September 27, 2000. The ITC now conducting a review for the final injury investigation (the maximum period for this review is 45 days).

The final determination of the Department of Commerce established a countervailing duty margin of 4.53 percent (with a deposit of 5.85 percent due to increased payments under the program during the course of the investigation). The margin was based largely on subsidies in the form of government loans and export tax rebates/payments. The final determination for the antidumping investigation established margins that ranged between 32.56 percent and 60.67 percent.

Table 1: Honey Supply and Demand Estimates

PSD Table						
Country	Argentina					
Commodity	Honey				(1000 COLONIES)(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Commercial Colonies	2100	2600	0	2700	0	2700
NonCommercial Colonies	100	100	0	100	0	100
TOTAL Colonies	2200	2700	0	2800	0	2800
Beginning Stocks	0	0	3000	0	0	0
Production	85000	98000	0	90000	0	85000
Imports	20	20	0	20	0	20
TOTAL SUPPLY	85020	98020	3000	90020	0	85020
Exports	75000	90730	0	87610	0	79000
Domestic Consumption	7020	7290	0	2410	0	6020
Ending Stocks	3000	0	0	0	0	0
TOTAL DISTRIBUTION	85020	98020	0	90020	0	85020

Table 2: Argentine Honey Exports by Destination During Calendar 2000:

DESTINATION	VOLUME (Metric Tons)	VALUE (000 US\$)
United States	44,272	43,094
Germany	24,133	23,643
Italy	6,356	6,434
U.K.	2,641	2,630
Spain	1,913	1,910
Japan	1,559	1,666
Belgium	1,376	1,338
France	1,224	1,184
Eire	924	945
Saudi Arabia	895	1,067
Netherlands	874	926
All Others	1,463	1,776
TOTAL	87,610	86,613

Source: Argentine Secretariat of Agriculture.

Table 3: Total Argentine Honey Exports during January - August 2001:

DESTINATION	VOLUME (M. Tons)	VALUE (000 US\$)
Germany	21,757	20,568
United States	17,579	16,342
Italy	4,952	4,862
Spain	3,107	2,977
All Others	9,544	9,605
TOTAL	56,939	54,354

Source: Argentine Secretariat of Agriculture